

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MICHIGAN**

In re:

BARFLY VENTURES, LLC, *et. al.*,¹

Debtor.

Chapter 11

Case No. 20-01947

(Jointly Administered)

/

**MONTHLY FEE STATEMENT OF PACHULSKI STANG ZIEHL & JONES LLP FOR
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES AS COUNSEL TO DEBTORS FOR AUGUST 1, 2020 TO AUGUST 31, 2020**

Name of Applicant:	Pachulski Stang Ziehl & Jones LLP
Authorized to provide services to:	Debtors
Effective Date of Retention:	June 3, 2020
Period for which compensation is sought: ²	August 1, 2020 – August 31, 2020
Amount of compensation sought as actual, reasonable, and necessary:	\$32,489.50 80% = \$25,991.60 20% = \$ 6,497.90
Amount of expense reimbursement sought:	\$355.84
Total interim request:	\$26,347.44

¹ The Debtors and the last four digits of their federal employment identification number are: Barfly Ventures, LLC (8379); 9 Volt, LLC (d/b/a HopCat) (1129); 50 Amp Fuse, LLC (d/b/a Stella's Lounge) (3684); GRBC Holdings, LLC (d/b/a Grand Rapids Brewing Company) (2130); E L Brewpub, LLC (d/b/a HopCat East Lansing) (5334); HopCat-Ann Arbor, LLC (5229); HopCat-Chicago, LLC (7552); HopCat-Concessions, LLC (2597); HopCat-Detroit, LLC (8519); HopCat-GR Beltline, LLC (9149); HopCat-Holland, LLC (7132); HopCat-Indianapolis, LLC (d/b/a HopCat-Broad Ripple) (7970); HopCat-Kalamazoo, LLC (8992); HopCat-Kansas City, LLC (d/b/a HopCat,-KC, LLC and Tikicat) (6242); HopCat-Lexington, LLC (6748); HopCat-Lincoln, LLC (2999); HopCat-Louisville, LLC (0252); HopCat-Madison, LLC (9108); HopCat-Minneapolis, LLC (8622); HopCat-Port St. Lucie, LLC (0616); HopCat-Royal Oak, LLC (1935); HopCat-St. Louis, LLC (6994); Luck of the Irish, LLC (d/b/a The Waldron Public House, LLC and McFadden's Restaurant Saloon) (4255).

² Under the Court's *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 113], monthly fee statements are to be filed on or before the 20th of each month. The Court's order authorizing employment of Pachulski Stang Ziehl & Jones LLP, however, was not entered until July 22, 2020. Therefore, PSZJ delayed filing its fee statement until its retention was approved.

Dated: September 17, 2020

WARNER NORCROSS + JUDD LLP

/s/ Rozanne M. Giunta

Rozanne M. Giunta (P29969)

Stephen B. Grow (P39622)

Elisabeth M. Von Eitzen (P70183)

1500 Warner Building

150 Ottawa Avenue, NW

Grand Rapids, Michigan 49503

Telephone: (616) 752-2000

--and--

PACHULSKI STANG ZIEHL & JONES LLP

John W. Lucas (admitted *pro hac vice*)

Jason Rosell (admitted *pro hac vice*)

150 California Street, 15th Floor

San Francisco, California 94111

Telephone: (415) 263-7000

Counsel to the Debtors and Debtors in Possession

Pachulski Stang Ziehl & Jones LLP

150 California St.
Floor 15th
San Francisco, CA 94111

August 31, 2020

Invoice 125858

Client 07979

Matter 00002

JWL

Jeffrey Sorum
Barfly Ventures
35 Oakes St. SW #400
Grand Rapids, MI 49503

RE: Chapter 11

STATEMENT OF PROFESSIONAL SERVICES RENDERED THROUGH 08/31/2020

FEES	\$34,465.00
EXPENSES	\$355.84
LESS COURTESY DISCOUNT	\$1,975.50
TOTAL CURRENT CHARGES	\$32,845.34
BALANCE FORWARD	\$39,714.39
TOTAL BALANCE DUE	\$72,559.73

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Barfly Ventures LLC
07979 -00002

Page: 2
Invoice 125858
August 31, 2020

Summary of Services by Professional

<u>ID</u>	<u>Name</u>	<u>Title</u>	<u>Rate</u>	<u>Hours</u>	<u>Amount</u>
JHR	Rosell, Jason H.	Partner	725.00	13.40	\$9,715.00
JWL	Lucas, John W.	Partner	825.00	30.00	\$24,750.00
				<hr/> 43.40	<hr/> \$34,465.00

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 3
 Invoice 125858
 August 31, 2020

Summary of Services by Task Code

<u>Task Code</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
AD	Asset Disposition [B130]	14.10	\$11,152.50
BL	Bankruptcy Litigation [L430]	0.20	\$145.00
BO	Business Operations	2.30	\$1,817.50
CA	Case Administration [B110]	0.90	\$652.50
CG	Corporate Governance/Board Mtr	1.90	\$1,567.50
CO	Claims Admin/Objections[B310]	13.50	\$10,927.50
CP	Compensation Prof. [B160]	1.50	\$1,117.50
CPO	Comp. of Prof./Others	0.10	\$72.50
EC	Executory Contracts [B185]	3.30	\$2,462.50
FN	Financing [B230]	0.60	\$495.00
GC	General Creditors Comm. [B150]	0.30	\$247.50
H	Hearings	4.30	\$3,487.50
RPO	Ret. of Prof./Other	0.30	\$247.50
SL	Stay Litigation [B140]	0.10	\$72.50
		43.40	<hr/> \$34,465.00

Pachulski Stang Ziehl & Jones LLP
Barfly Ventures LLC
07979 -00002

Page: 4
Invoice 125858
August 31, 2020

Summary of Expenses

<u>Description</u>	<u>Amount</u>
Conference Call [E105]	\$52.19
Lexis/Nexis- Legal Research [E	\$139.95
Pacer - Court Research	\$122.90
Transcript [E116]	\$40.80
	<hr/>
	\$355.84

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 5
 Invoice 125858
 August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Asset Disposition [B130]						
08/07/2020	JWL	AD	Emails with client regarding sale/auction for surplus property at rejected locations (.3)	0.30	825.00	\$247.50
08/07/2020	JWL	AD	Call with R. Hersch regarding sale issues and next steps on sale process (.3); emails with client and lender regarding potential sale of FF&E (.2)	0.50	825.00	\$412.50
08/07/2020	JWL	AD	Consider strategies for asset sale and timing of closing (.3)	0.50	825.00	\$412.50
08/07/2020	JHR	AD	Correspondence with Gordon Foods re: adequate assurance	0.10	725.00	\$72.50
08/10/2020	JHR	AD	Review correspondence from lenders re: FF&E	0.10	725.00	\$72.50
08/11/2020	JWL	AD	Call with UCC counsel regarding sale issues (.3)	0.30	825.00	\$247.50
08/13/2020	JHR	AD	Correspondence with client re: FF&E issues	0.10	725.00	\$72.50
08/14/2020	JWL	AD	Call with R. Hersch regarding sale process (.2); email to lenders regarding the same (.1); call with J. Gansman regarding PPP and sale process (.2); call with WNJ regarding contract cure issues (.4)	0.90	825.00	\$742.50
08/14/2020	JHR	AD	Review Liberty sale objection and related research	0.30	725.00	\$217.50
08/16/2020	JHR	AD	Review APA re: insurance issues and related correspondence with Rock Creek	0.40	725.00	\$290.00
08/16/2020	JHR	AD	Review APA schedules list	0.20	725.00	\$145.00
08/17/2020	JWL	AD	Review and respond to sale update from Mastodon (.3); call with UCC regarding sale process (.3); call with Rock Creek regarding APA schedules (.8)	1.40	825.00	\$1,155.00
08/18/2020	JWL	AD	Emails regarding continuance of sale hearing and rejecting unwanted locations (.2); review and comment on APA schedules (.8)	1.00	825.00	\$825.00
08/19/2020	JWL	AD	Emails with client and WNJ regarding continuation of sale hearing (.1); call with WNJ regarding continuing sale hearing (.2); emails with client regarding rejection and abandonment of FF&E (.4)	0.70	825.00	\$577.50
08/19/2020	JHR	AD	Review correspondence with lenders re: rejection of leases and abandonment of FF&E	0.30	725.00	\$217.50
08/20/2020	JWL	AD	Call regarding rejection or potential sale of dormant locations (.7); call with M. Sellers regarding same (.2); call with R. Hersch regarding sale process (.2); another call with R. Hersch regarding sale timeline	1.50	825.00	\$1,237.50

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 6
 Invoice 125858
 August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			issues (.4)			
08/21/2020	JWL	AD	Call with Gordon Foods counsel regarding sale process (.2)	0.20	825.00	\$165.00
08/21/2020	JHR	AD	Call with Committee and Mastodon re: sale update	0.40	725.00	\$290.00
08/24/2020	JWL	AD	Review stip to continue sale hearing (.1); respond to lender email regarding APA schedules, 2x (.4); calls with UCC an contract counterparties regarding continuation of sale hearing (.3); email to lenders regarding sale process (.2)	1.00	825.00	\$825.00
08/24/2020	JHR	AD	Correspondence with WNJ re: bidding procedures	0.20	725.00	\$145.00
08/24/2020	JHR	AD	Correspondence with J. Lucas re: sale issues	0.20	725.00	\$145.00
08/25/2020	JWL	AD	Call with lenders' counsel regarding next steps for sale (.3); respond to lender questions regarding sale process and next steps (.4); call N. Lidvall regarding sale process (.3)	1.00	825.00	\$825.00
08/25/2020	JHR	AD	Call with Mercantile Bank re: sale issues	0.20	725.00	\$145.00
08/25/2020	JHR	AD	Review FSB sale objection and related research	0.50	725.00	\$362.50
08/26/2020	JHR	AD	Review objections to adequate assurance information	0.50	725.00	\$362.50
08/26/2020	JHR	AD	Review GFS sale objection	0.20	725.00	\$145.00
08/27/2020	JHR	AD	Call with client re: Mercantile account	0.20	725.00	\$145.00
08/28/2020	JHR	AD	Attend committee sale update call	0.40	725.00	\$290.00
08/31/2020	JHR	AD	Prepare for sale update call with Mastodon	0.20	725.00	\$145.00
08/31/2020	JHR	AD	Attend sale update call with Mastodon	0.30	725.00	\$217.50
				14.10		\$11,152.50

Bankruptcy Litigation [L430]

08/04/2020	JHR	BL	Review correspondence with landlord re: liquor license issues	0.20	725.00	\$145.00
				0.20		\$145.00

Business Operations

08/08/2020	JWL	BO	Call with counsel to Gordon Foods regarding payment (.4); and email to lenders regarding the same (.1)	0.50	825.00	\$412.50
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Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 7
 Invoice 125858
 August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/10/2020	JWL	BO	Call with J. Rosell and Rock Creek regarding cash flow (.5)	0.50	825.00	\$412.50
08/10/2020	JHR	BO	Revise MOR and related correspondence with Rock Creek	0.50	725.00	\$362.50
08/11/2020	JWL	BO	Review business operation cash forecast (.2); respond to email from Gordon Foods and lenders regarding operations (.1)	0.30	825.00	\$247.50
08/21/2020	JWL	BO	Emails to client regarding disposition of Royal Oak property (.2)	0.20	825.00	\$165.00
08/28/2020	JHR	BO	Research customer deposit issues	0.30	725.00	\$217.50
				2.30		\$1,817.50

Case Administration [B110]

08/06/2020	JHR	CA	Call with Rock Creek re: monthly operating reports	0.40	725.00	\$290.00
08/14/2020	JHR	CA	Update work in progress report.	0.50	725.00	\$362.50
				0.90		\$652.50

Corporate Governance/Board Mtr

08/01/2020	JWL	CG	call with board regarding PPP loan issues (.7); follow up call with Rock Creek regarding same (.1); email to lender regarding result of board meeting (.4)	1.20	825.00	\$990.00
08/10/2020	JWL	CG	Attend board meeting regarding use of PPP funds (.7)	0.70	825.00	\$577.50
				1.90		\$1,567.50

Claims Admin/Objections[B310]

08/02/2020	JHR	CO	Review correspondence with lender re: PPP issues	0.10	725.00	\$72.50
08/03/2020	JWL	CO	Draft response FSB PPP use objection (3.8)	3.80	825.00	\$3,135.00
08/03/2020	JHR	CO	Review Committee response to objections to fee statements re PPP issues.	0.40	725.00	\$290.00
08/03/2020	JHR	CO	Research re: PPP issues	0.40	725.00	\$290.00
08/05/2020	JWL	CO	Review FSB PPP response (.3); call with UCC regarding same and prep for hearing (.7); work on hearing prep for PPP dispute (.3)	1.30	825.00	\$1,072.50

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 8
 Invoice 125858
 August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
08/06/2020	JWL	CO	Call with FSB counsel regarding hearing and potential settlement on ruling (.6); email to the client regarding the hearing (.2)	0.80	825.00	\$660.00
08/07/2020	JWL	CO	Call with Rock Creek regarding use of PPP funds (.2); call with UCC counsel regarding next steps re PPP and paths to closing a restructuring deal (.5); prepare substantive email to client regarding the same (.8)	1.50	825.00	\$1,237.50
08/08/2020	JHR	CO	Review Mark Sellers loan documents	0.20	725.00	\$145.00
08/09/2020	JHR	CO	Correspondence with J. Lucas re: PPP issues	0.20	725.00	\$145.00
08/10/2020	JHR	CO	Call with Rock Creek re: PPP issues	0.50	725.00	\$362.50
08/10/2020	JWL	CO	Call with PPP lender counsel regarding path forward (.5)	0.50	825.00	\$412.50
08/10/2020	JWL	CO	Review inquiry by prepetition secured lender and prepare response for client's review (.5)	0.50	825.00	\$412.50
08/12/2020	JWL	CO	Call with J. Gansman regarding PPP issues (.2)	0.20	825.00	\$165.00
08/13/2020	JWL	CO	Call with FSB counsel regarding PPP loan issues (.5)	0.50	825.00	\$412.50
08/13/2020	JHR	CO	Review waterfall analysis re: PPP issues	0.30	725.00	\$217.50
08/17/2020	JWL	CO	Draft complaint regarding PPP funds and use (2.1)	2.10	825.00	\$1,732.50
08/29/2020	JWL	CO	Research regarding enforcement of claims against the SBA (.2)	0.20	825.00	\$165.00
				13.50		\$10,927.50

Compensation Prof. [B160]

08/05/2020	JHR	CP	Analyze FSB reply in support of objections to fee statements re PPP issues.	1.10	725.00	\$797.50
08/10/2020	JHR	CP	Review order granting fee statements	0.10	725.00	\$72.50
08/12/2020	JWL	CP	Prepare and review July fee statement (.3)	0.30	825.00	\$247.50
				1.50		\$1,117.50

Comp. of Prof./Others

08/07/2020	JHR	CPO	Review UST objection to Committee retention applications	0.10	725.00	\$72.50
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Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 9
 Invoice 125858
 August 31, 2020

				0.10		\$72.50
Executory Contracts [B185]						
08/05/2020	JHR	EC	Call with client re: lease issues	0.50	725.00	\$362.50
08/09/2020	JHR	EC	Call with client re: lease issues	0.40	725.00	\$290.00
08/14/2020	JHR	EC	Review correspondence with WNJ re: status of executory contracts	0.20	725.00	\$145.00
08/19/2020	JWL	EC	Call with N. Lidval regarding rejection of dormant locations (.2)	0.20	825.00	\$165.00
08/24/2020	JHR	EC	Review correspondence re: Ionia property	0.30	725.00	\$217.50
08/24/2020	JHR	EC	Review draft motion to reject leases and related correspondence with WNJ	0.30	725.00	\$217.50
08/26/2020	JHR	EC	Review motion to reject leases	0.20	725.00	\$145.00
08/27/2020	JHR	EC	Call with J. Lucas re: equipment removal issues	0.20	725.00	\$145.00
08/27/2020	JHR	EC	Call with KC landlord counsel re: equipment removal issues	0.20	725.00	\$145.00
08/27/2020	JWL	EC	Calls with landlord for Kansas City location regarding rejection of lease and abandonment (.5)	0.50	825.00	\$412.50
08/27/2020	JHR	EC	Review KC lease for equipment removal issues	0.30	725.00	\$217.50
				3.30		\$2,462.50
Financing [B230]						
08/11/2020	JWL	FN	Call with lenders regarding proposed DIP financing (.3); prepare and send email to client regarding the same (.3)	0.60	825.00	\$495.00
				0.60		\$495.00
General Creditors Comm. [B150]						
08/17/2020	JWL	GC	Emails with UCC regarding Sellers bankruptcy case (.1)	0.10	825.00	\$82.50
08/24/2020	JWL	GC	Respond to UCC questions regarding case status on a number of matters (.2)	0.20	825.00	\$165.00
				0.30		\$247.50
Hearings						
08/06/2020	JWL	H	Prepare for (1.3) and attend hearing on PPP use of	3.00	825.00	\$2,475.00

Pachulski Stang Ziehl & Jones LLP

Barfly Ventures LLC

07979 -00002

Page: 10

Invoice 125858

August 31, 2020

				<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
			funds (1.7)			
08/07/2020	JWL	H	Prepare for (.2) and attend hearing on use of PPP loan proceeds (.5)	0.70	825.00	\$577.50
08/07/2020	JHR	H	Attend 8/7 hearing re PPP.	0.60	725.00	\$435.00
				4.30		\$3,487.50
Ret. of Prof./Other						
08/03/2020	JWL	RPO	Review email from R. Hersch regarding terms of retention of Mastodon and respond regarding changes to the order (.3)	0.30	825.00	\$247.50
				0.30		\$247.50
Stay Litigation [B140]						
08/07/2020	JHR	SL	Review order approving Innovo stay relief motion	0.10	725.00	\$72.50
				0.10		\$72.50
TOTAL SERVICES FOR THIS MATTER:						\$34,465.00

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 11
 Invoice 125858
 August 31, 2020

Expenses

07/03/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	19.38
07/13/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	10.40
07/13/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	1.07
07/16/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	7.59
07/20/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	2.96
07/26/2020	TR	Transcript [E116] eScribers, Inv. 342483, KKY	40.80
07/28/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	6.41
07/31/2020	CC	Conference Call [E105] AT&T Conference Call, JWL	4.38
08/03/2020	LN	07979.00002 Lexis Charges for 08-03-20	7.51
08/04/2020	LN	07979.00002 Lexis Charges for 08-04-20	2.67
08/04/2020	LN	07979.00002 Lexis Charges for 08-04-20	24.10
08/20/2020	LN	07979.00002 Lexis Charges for 08-20-20	1.60
08/20/2020	LN	07979.00002 Lexis Charges for 08-20-20	24.10
08/21/2020	LN	07979.00002 Lexis Charges for 08-21-20	1.60
08/21/2020	LN	07979.00002 Lexis Charges for 08-21-20	14.11
08/24/2020	LN	07979.00002 Lexis Charges for 08-24-20	1.60
08/24/2020	LN	07979.00002 Lexis Charges for 08-24-20	15.04
08/24/2020	LN	07979.00002 Lexis Charges for 08-24-20	14.11
08/25/2020	LN	07979.00002 Lexis Charges for 08-25-20	1.07
08/25/2020	LN	07979.00002 Lexis Charges for 08-25-20	13.28
08/26/2020	LN	07979.00002 Lexis Charges for 08-26-20	11.64
08/29/2020	LN	07979.00002 Lexis Charges for 08-29-20	7.52
08/31/2020	PAC	Pacer - Court Research	122.90

Total Expenses for this Matter

\$355.84

Pachulski Stang Ziehl & Jones LLP
 Barfly Ventures LLC
 07979 -00002

Page: 12
 Invoice 125858
 August 31, 2020

REMITTANCE ADVICE

Please include this Remittance with your payment

For current services rendered through: 08/31/2020

Total Fees **\$34,465.00**

Total Expenses **355.84**

Less Courtesy Discount **\$1,975.50**

Total Due on Current Invoice **\$32,845.34**

Outstanding Balance from prior invoices as of 08/31/2020 (May not include recent payments)

<u>A/R Bill Number</u>	<u>Invoice Date</u>	<u>Fees Billed</u>	<u>Expenses Billed</u>	<u>Balance Due</u>
125564	07/31/2020	\$81,370.00	\$652.09	\$39,714.39

Total Amount Due on Current and Prior Invoices: **\$72,559.73**